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Market Announcements Platform
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Auroch Exercises Option Over EPL 5751

Highlights

- Auroch has exercised its option to acquire 90% of EPL 5751 which will become part of the Karibib Lithium Project, Namibia
- Samples assaying up to 2.73% Li₂O have been collected during first pass reconnaissance field work
- The presence of lithiophilite in the Tsaobis Pegmatite is confirmation of lithium enrichment and that the pegmatite is a Lithium Caesium Tantalum pegmatite¹ and is highly prospective.
- Interpretation of regional geophysics suggests further pegmatites exist in the area that have not yet been visited
- An important step in the growth of the Karibib lithium Project
- **Auroch in a STRONG FINANCIAL POSITION: A\$8.3 million²**

Introduction

Auroch Minerals Limited (**Auroch** or the **Company**) is pleased to advise it has exercised its option to acquire 90% of EPL 5751 as it continues its focus on the Karibib Lithium Project in Namibia. Full details of the Joint Venture Agreement can be found in **Appendix 1**.

Dr Andrew Tunks Auroch CEO said "Exercising our option on EPL 5751 and moving to a full Joint Venture expresses the confidence Auroch management have in the Karibib Lithium project to deliver substantial exploration success over time. The new JV is an important step in the growth of the Karibib Lithium Project as we continue to grow the Company's Namibian portfolio. Although exploration is still at an early stage we have identified substantial Li mineralised pegmatites across the licence and will continue to focus our field efforts in this area".

Lithium Mineralisation on EPL 5751

EPL 5751 contains four historical pegmatite occurrences; the Tsaobis, Nordenburg, Dorstriver and Villa Rosa pegmatites. Field visits to date by Auroch geologists have revealed lithium mineralisation is present at Tsaobis. At this stage mineralisation is confined to sporadic occurrences of Lithiophilite, an iron-manganese-lithium phosphate mineral. However, the presence of lithiophilite confirms that the pegmatite is a LCT pegmatite and increases the potential to find lithium enriched mineralisation on the licence.

¹ LCT = Lithium-Caesium-Tantalum and refers to the type of pegmatites which are lithium-enriched. All pegmatites that are mined for lithium minerals are varieties of LCT pegmatites

² Refer ASX announcement 2nd March 2017

LOCALITY	SAMPLE #	Li ₂ O%	Y	X	DESCRIPTION
Dorstrivier	S00060	0.03	562085	7523119	Biotite Schist taken at contact with pegmatite
Nordenburg	S00061	0.02	548101	7521917	Pegmatite (Qtz.Feldspar. Mica. hematite)
Dorstrivier	S00062	0.00	560946	7522680	Fe rich Quartz
Tsaobis	S00066	0.00	575850	7511992	Lithiophyllite
Tsaobis	S00067	0.20	575900	7511970	Lithiophyllite (weathered)
Tsaobis	S00068	1.39	575900	7511970	Lithiophyllite + Purpurite
Tsaobis	S00069	2.54	575900	7511970	Lithiophyllite + Purpurite
Tsaobis	S00070	1.70	575900	7511970	Lithiophyllite
Tsaobis	S00071	0.02	575900	7511970	Hexagonal brown black sugary texture
Tsaobis	S00072	2.34	575900	7511970	Lithiophyllite
Tsaobis	S00073	0.00	575900	7511970	White weatherd prismatic mineral
Tsaobis	S00074	2.64	575918	7511954	Lithiophyllite
Tsaobis	S00075	0.32	575918	7511954	Lithiophyllite
Villa Rosa	B2671	0.00	550801	7524720	Quartz vein
Villa Rosa	B2672	0.00	551440	7524135	Pegmatite
Villa Rosa	B2673	0.00	551440	7524135	Pegmatite
Tsaobis	B2674	2.73	575922	7511951	Pegmatite
Tsaobis	B2675	0.01	575890	7511984	Pegmatite
Tsaobis	B2676	0.10	575890	7511984	Pegmatite

Table 1. All assay results for lithium are received from the laboratory as Lithium parts per million (ppm). For reporting purposes this is converted to lithium oxide Li₂O which is the industry standard for reporting exploration results and resources.

Airborne radiometric data (potassium channel) does show potential for the continuation of the Tsaobis pegmatite and within EPL 5751 there are mapped pegmatite occurrences not yet visited. The potential to discover LCT pegmatites that contain the economically important lithium minerals (i.e. spodumene or petalite or the lithium micas) is high.

Work to date

- Review of general geological setting
- Review of historical work
- Assessment of the potential for economic lithium mineralisation
- Limited grab sampling at exposed pegmatites
- Review of airborne geophysical data

Geological setting

The area is comprised of rocks belonging to the Damara Sequence, a metamorphosed unit hosting mostly marine sediments as well as later intruded - and metamorphosed granites. The pegmatites appear to be intruded into carbonate units such as marbles, although not confined to these. These pegmatites form part of the central Namibian pegmatite swarm, strike roughly ENE and are known throughout Namibia to bear considerable lithium mineralisation. This pegmatite swarm is the target of Auroch's Karibib Lithium Project

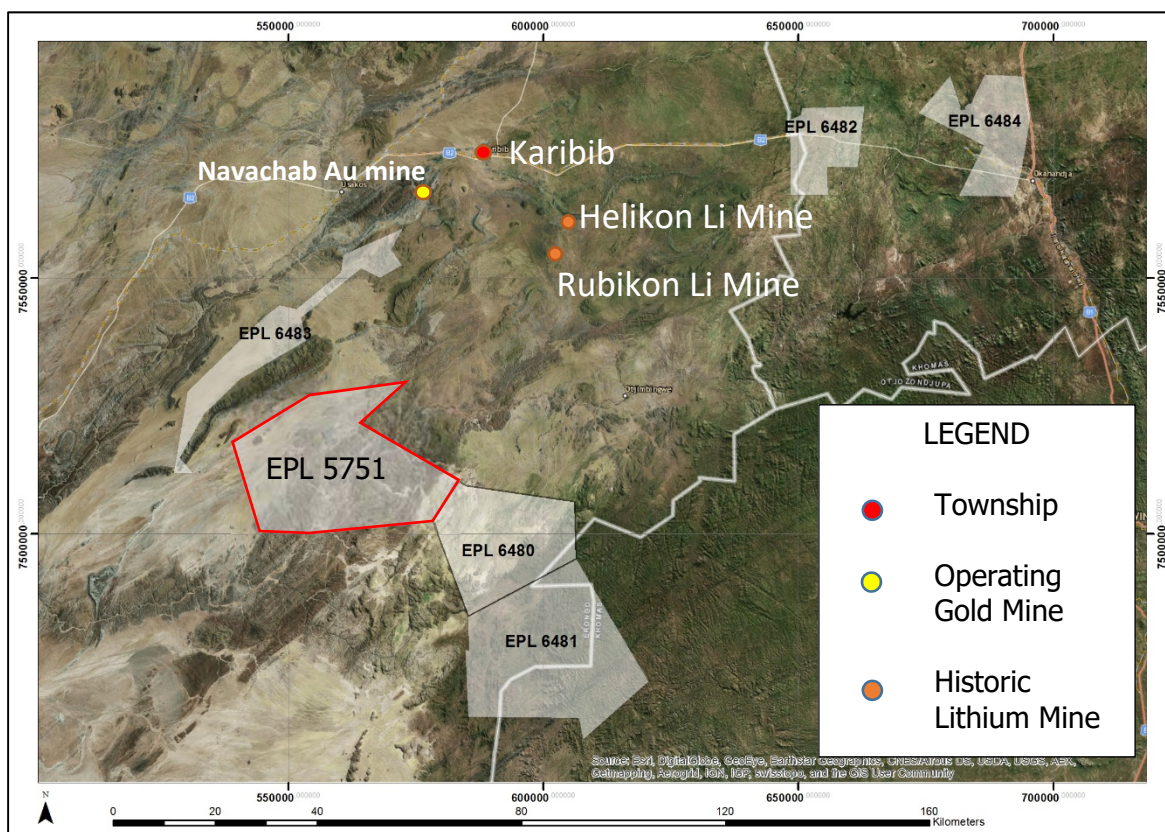


Figure 1. Location of EPL 5751 (outlined in red) as well as the five EPL application in relation to the Rubikon and Helikon Lithium mines as well as the Navachab Gold mine

Conclusions and future work

Initial field work on 5751 has provided Auroch management with enough encouragement to justify the exercise of the option agreement and acquire 90% of the licence. Namibia has been experiencing a strong wet season (long overdue) and this has hampered efforts to visit all of this large and remote licence. Field work will be able to recommence in April 2017.

For further information, visit www.aurochminerals.com or contact:

Dr. Andrew Tunks
Chief Executive officer
Auroch Minerals Limited
T: +61 8 9486 4036

Disclaimer

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Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Dr. Andrew Tunks and represents an accurate representation of the available data. Dr. Tunks (Member Australian Institute Geoscientists) is the Company's Chief Executive Officer and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Tunks consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 1 - Joint Venture Details

Dynamic Geo-Consulting Services CC (**DGS**) a Namibian entity is the registered holder of EPL 5751, (the **Partner**) in the Erongo region of Namibia. The Option and Joint Venture is for the exploration of Base and Rare Metals, Industrial Minerals (including Lithium), precious metals and Dimension Stone and if successful develop a mining operation on the Licence. EPL 5751 was granted on 26 Jan 2015 for a 3 year term.

The terms of the Option and Joint Venture Agreement (**Agreement**) are summarised as follows:

- For a non-refundable fee of USD7,500, (**PAID**) DGS grants to Auroch the option to enter into a joint venture with DGS to explore and develop the project on the following basis:
 - Auroch may exercise the option at any time within 60 days after Auroch's authorised representatives first visit the area covered by EPL 5751. An Option Exercise Fee of USD10,000 is payable to DGS.
 - The Option term may be extended by mutual agreement.
 - Once the Option is exercised, EPL 5751 will be transferred to a joint venture company (**JV Company**) effectively owned 90% by Auroch (or its nominee entity) and 10% by DGS or a 100% directly or indirectly owned Namibian subsidiary of the JV Company.
 - Until the transfer is completed and registered, DGS will hold a 90% ownership interest in EPL 5751 as bare trustee for the benefit of Auroch (or its nominee entity).
- When the transfer of EPL 5751 is completed and registered, Auroch will pay DGS USD20,000 and issue to DGS 100,000 fully paid ordinary shares in Auroch.
- The joint venture will commence when Auroch exercises the Option.
- Auroch will sole fund all expenditure on the project until (i) a positive bankable feasibility study or definitive feasibility study is completed that supports a decision to mine, and (ii) a mining licence for the project is granted; after which both parties will share project expenditure pro rata to their respective shareholdings in the JV Company (but Auroch will loan fund DGS's share of expenditure, to be repaid out of 60% of DGS's share of dividends subject to any necessary third party project financier approvals).
- Auroch will be the Manager of the joint venture and shall determine in its absolute discretion the joint venture programmes and budgets for work to be carried out on the project.
- Auroch will expend at least USD50,000 per annum during the term of the joint venture.
- Auroch will issue to DGS:
 - 200,000 fully paid ordinary shares in Auroch after the first anniversary of the successful renewal of EPL 5751 for a further 2 year term.
 - 500,000 fully paid ordinary shares in Auroch when (i) a positive bankable feasibility study or definitive feasibility study is completed that supports a decision to mine, and (ii) a mining licence for the project is granted.
- Auroch may elect at any time to withdraw from the joint venture, upon which the project will be returned to DGS and Auroch will have no further liability, other than remedial obligations relating to activities carried out under the Agreement.
- Auroch is entitled to a right of first and last offer to acquire DGS's shares in the JV Company should DGS propose to sell any or all of its shares in the JV Company.

Appendix 2 - JORC Code, 2012 Edition

Table 1 - Section 1 - Sampling Techniques and Data (Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none"> Grab samples collected from outcrop and old workings by Geologist under contract to Auroch Minerals Samples were collected from zones suspected to be mineralised Samples were not collected on a grid. Sample locations were measured by GPS and are given in WGS84 Z33S
<i>Drilling techniques</i>	<ul style="list-style-type: none"> NA
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> NA
<i>Logging</i>	<ul style="list-style-type: none"> Samples we logged in field
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> NA
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> The assaying was completed at Bureau Veritas in Windhoek Namibia. The samples have been sorted and dried. Primary preparation has been by crushing the whole sample. The samples have been split with a riffle splitter to obtain a sub-fraction which has then been pulverised in a vibrating pulveriser. The sample(s) have been digested with a mixture of Acids including Hydrofluoric, Nitric, Hydrochloric and Perchloric Acids. Li has been determined by Inductively Coupled Plasma (ICP) Optical Emission Spectrometry. (OES)
<i>Verification of sampling & assaying</i>	<ul style="list-style-type: none"> NA
<i>Location of data points</i>	<ul style="list-style-type: none"> Coordinates in report are given in in WGS84 Zone S33
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> NA
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> NA
<i>Sample security</i>	<ul style="list-style-type: none"> Samples were collected by field geologist, numbered and bagged and delivered immediately to assay laboratory
<i>Audits or reviews</i>	<ul style="list-style-type: none"> NA

Section 2 - Reporting of Exploration Results (Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> EPL 5751 is held 100% by Dynamic Geo-Consulting Services Granted on 26/01/2015
<i>Exploration by other parties</i>	<ul style="list-style-type: none"> NA
<i>Geology</i>	<ul style="list-style-type: none"> EPL 5751 is underlain by Damaran metasediments and has been intruded by various granitic rocks, pegmatites, quartz veins and dolerites. The area has experienced a complex tectonic history and dips are generally steep Lithium occurs in various minerals associated with Lithium Caesium Tantalum (LCT) Pegmatites
<i>Drill hole Information</i>	<ul style="list-style-type: none"> NA
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> NA
<i>Mineralisation widths vs intercept lengths</i>	<ul style="list-style-type: none"> NA
<i>Diagrams</i>	<ul style="list-style-type: none"> See report
<i>Balanced reporting</i>	<ul style="list-style-type: none"> NA
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> NA
<i>Further work</i>	<ul style="list-style-type: none"> See report